

QUARTERLY ACTIVITY REPORT

For the three-month period ending 31 December 2022

Alice River Gold Project, QLD

Central Target

- Continued expansion of the high-grade gold mineralisation on the F1a Zone and discovery of a northern high-grade gold zone. Four high-grade gold shoots now identified within granted mining leases over 800m strike and over 500m depth. Results during the Quarter included:

F1a Zone

- 14.9m @ 10.3g/t Au** (from 242m) incl. **4.9m @ 21.4g/t Au** (ARDH061)¹
 - ARDH061 is 80m down-plunge from the previously identified high-grade gold zone of **17m @ 9.3g/t Au**² and **160m south of 24m @ 8.0g/t Au**³
- 4.1m @ 7.6g/t Au** (from 265.8m) incl. **1.1m @ 16.0g/t Au** (ARDH072)⁴
- Initial metallurgical test-work underway** – results expected mid-February 2023

F1a Northern Discovery Zone

- 4m @ 4.9g/t Au** (from 234m) incl. **1m @ 14.4g/t Au** (ARDH073)⁵
- 1m @ 61.2g/t Au** (from 116m) (ARDH073)⁵
- Latest discovery 200m north of open pit based on wide-spaced drilling testing the extensions of a previously reported PGO drill result;

Southern Target

- Results are pending for two diamond holes which intersected multiple quartz zones including zones of visible gold⁵.

Regional Targets

- Induced Polarisation (IP) geophysics completed on the extensions of the Central and Southern Targets and several regional prospects with processing of data and the identification of targets underway. Approximately 50% of the Alice River fault zone under tenure now has IP survey coverage.

Corporate

- Strong cash position of \$5.7M** at the start of January 2023 to fund step-out drilling on the F1a zone and regional exploration on the Alice River Gold Project.

¹ ASX PGO release 05 October 2022

² ASX PGO release 12 January 2022

³ ASX PGO release 19 September 2022

⁴ ASX PGO release 21 November 2022

⁵ ASX PGO release 21 November 2022

Gold exploration company Pacgold Limited (ASX:PGO) (“Pacgold” or the “Company”) is pleased to provide the Company’s Quarterly Activity Report for the three-month period ending 31 December 2022.

Alice River Gold Project Overview

Pacgold is progressing the Alice River Gold Project (the “Project”), 300km northwest of Cairns, North Queensland. The Project comprises a portfolio of eight mining leases and five exploration permits in a highly prospective and largely underexplored gold terrain.

The Company’s focus is on three priority targets covering 7km of the Alice River gold-bearing fault zone (see Figure 1):

- **Central Target:** Four high-grade gold shoots now identified within granted mining leases on 800m strike and over 500m depth (open at depth and along strike);
- **Southern Target:** Broad untested geochemical anomalies at surface over 1.8km x 500m in area; and
- **Northern Target:** 2.5km-long extension to the Alice River fault zone under shallow cover, confirmed with IP geophysics.

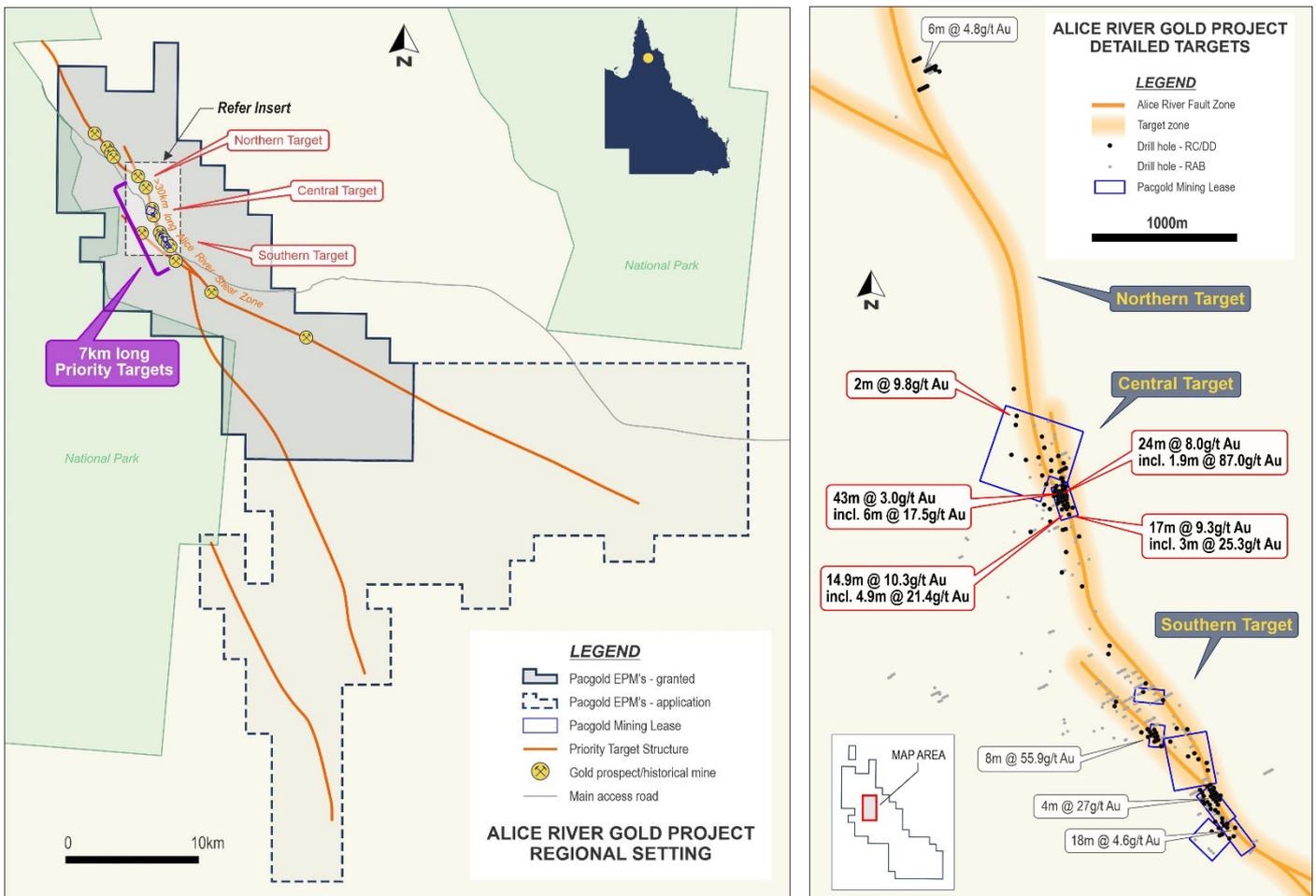


Figure 1: Regional target setting and secured tenure (left). Priority targets showing drill results and granted Mining Leases (right).

Activity during the Quarter included:

- Drilling continued at the Alice River Gold Project with 1,227m of diamond drilling completed at the Central and Southern Targets during the period. The drill programme has paused for the wet season and is planned to recommence in March 2023. Results from three diamond holes on the F1a zone (Central Target) and two diamond holes from the Southern Target are expected in late January / early February 2023.
- High-resolution IP geophysical surveys (59.8 line km of pole-dipole IP and gradient array IP surveys) focused on defining the extensions of the Southern Target, infill surveys on the Northern Target, and surveys over regional prospects along the Alice River fault zone. IP survey processing and interpretation is expected to be completed in early February 2023.
- Initial metallurgical test work was completed on samples from the Central Target. This testing will inform the decision on processing options for the high-grade gold and is continuing. Metallurgical results from the initial program are expected in mid-February 2023.
- Planning is underway to recommence drilling on the Central Target following the wet season (March 2023).

Central Target

During the Quarter, Pacgold continued to receive exceptional high-grade assay results from the drilling on the F1a Zone.

High-grade gold was intersected in ARDH061 associated with the occurrence of disseminated fine visible gold in the drill core. Results included **14.9m @ 10.3g/t Au** from 242.1m incl.

4.9m @ 21.4g/t Au⁶. These results represent an 80m step-out along the down-plunge projection of previously reported drill intersections of 17m @ 9.3g/t Au incl. 3m @ 25.3 g/t Au in ARDH026⁷ and define excellent continuity of the high-grade zone over 80m. This zone remains open at depth and to the south, with an approximate strike length of 100m. Refer to Figure 4 (long section) and Figure 5 (drill plan).

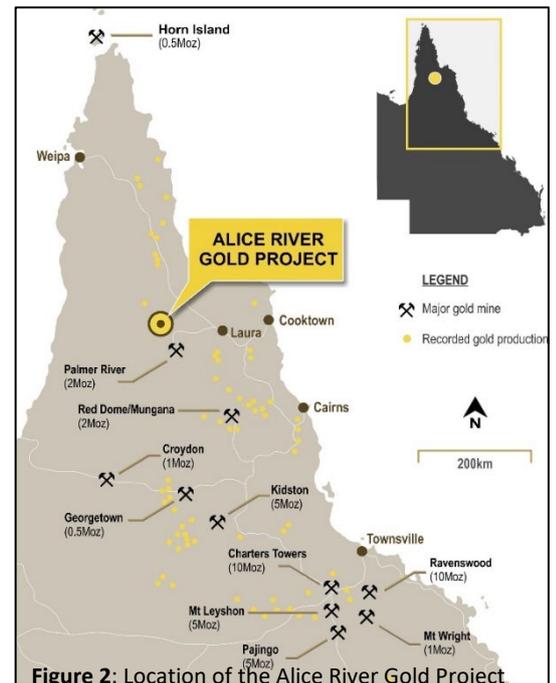


Figure 2: Location of the Alice River Gold Project

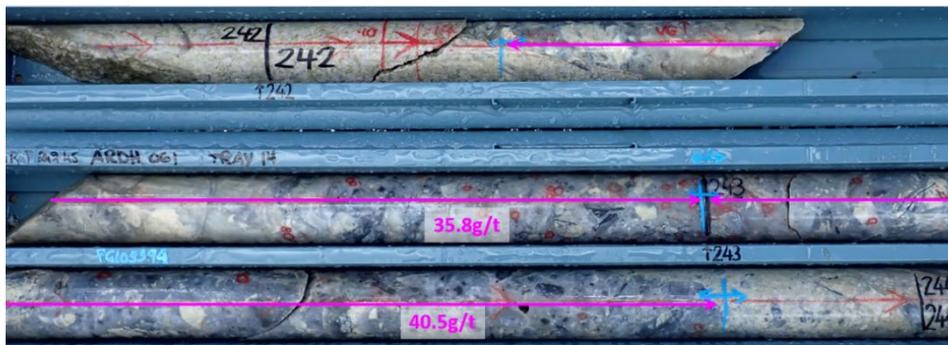


Figure 3: ARDH061- multi-phase hydrothermal breccia. The interval assayed 1.8m @ 38.1g/t Au from 242.1m.

⁶ ASX PGO release 5 October 2022

⁷ ASX PGO release 12 January 2022

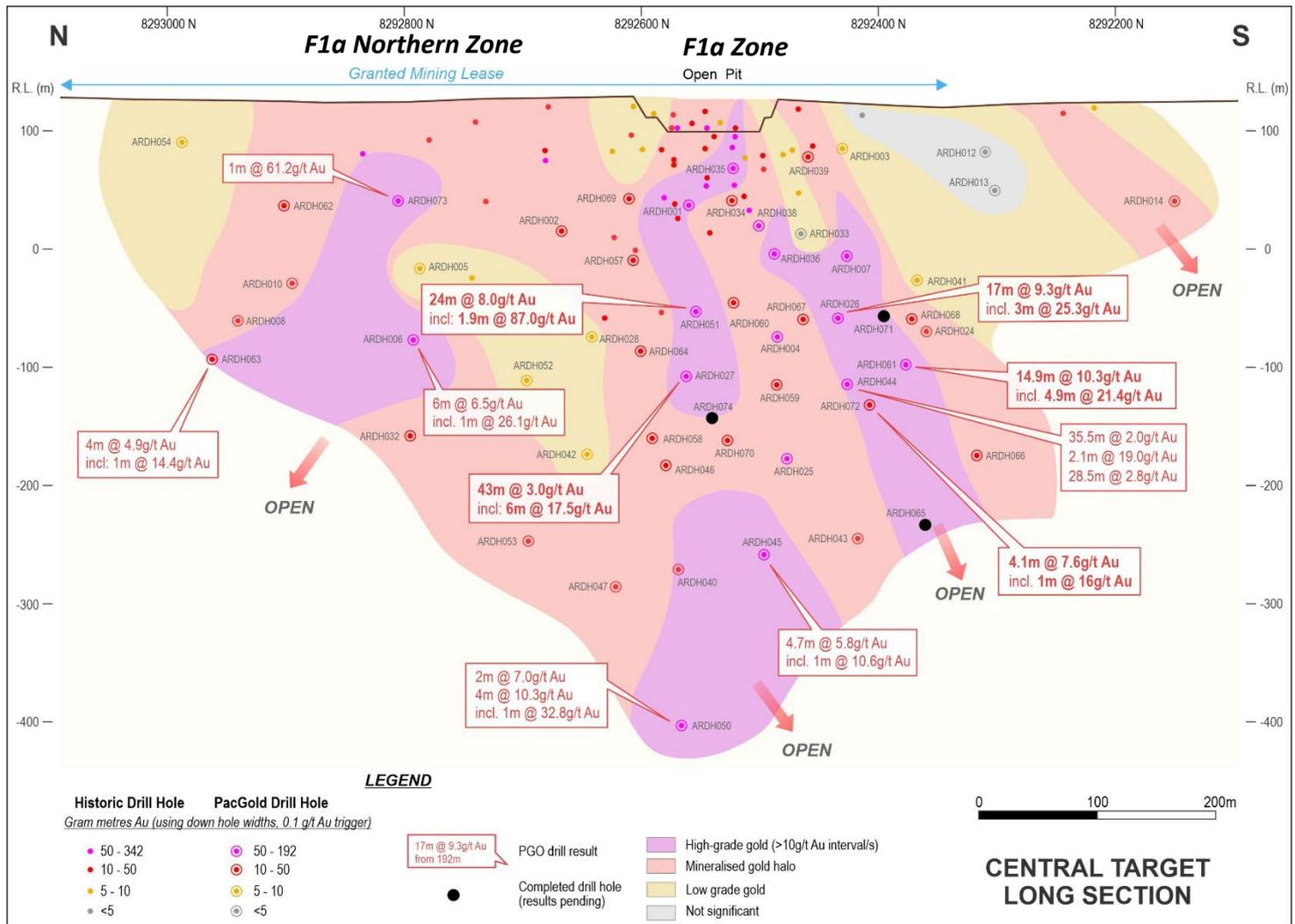


Figure 4: Long section along F1a zone, Central target

A highlight for the Quarter was the **discovery of a fourth high-grade shoot**, 200m north of the open pit (F1a Northern zone) which validates the exploration model being applied on the project. High-grade gold results were returned from wide-spaced drilling of this shoot completed during the Quarter, with results including:

- **4m @ 4.9g/t Au** from 234m **incl. 1m @ 14.4g/t Au** from 237m (ARDH063)⁸
- **1m @ 61.2g/t Au** from 116m (ARDH073)

These results represent wide-spaced step-out drill holes (refer Figure 4) testing the extensions of a previously reported PGO drill result of 6m @ 6.5g/t Au from 218m incl. 1m @ 26.1g/t Au from 223m (ARDH006)⁹. Results now provide early definition of a potentially large-scale, high-grade shoot greater than 200m strike extent and over 250m vertical extent (open). The top of the shoot is developed approximately 80m below surface with an historical drill hole intersection of 80m @ 0.6g/t Au from 10m (ARRC-58)¹⁰ interpreted to represent the upper halo of the new high-grade shoot.

⁸ ASX PGO release 21 November 2022

⁹ ASX PGO release 12 January 2022

¹⁰ Cyprus 1988 (CR19702)

Other results during the Quarter included those from **step-out drilling on the southernmost of the four shoots (F1a zone)**. These results indicate the extension of the high-grade gold mineralisation to a depth of 250m below surface, with results pending on deeper drilling (ARDH065) to potentially extend the shoot an additional 125m down plunge to 375m below surface. Step-out drill results include:

- **4.1m @ 7.6g/t Au** from 265.8m incl. **1.1m @ 16.0g/t Au** from 265.8m (ARDH072)¹¹

Results received to date from wide-spaced drilling at F1a zone have confirmed the presence of multiple high-grade shoots over a 800m strike and to a depth of over 500m (open along strike and depth).

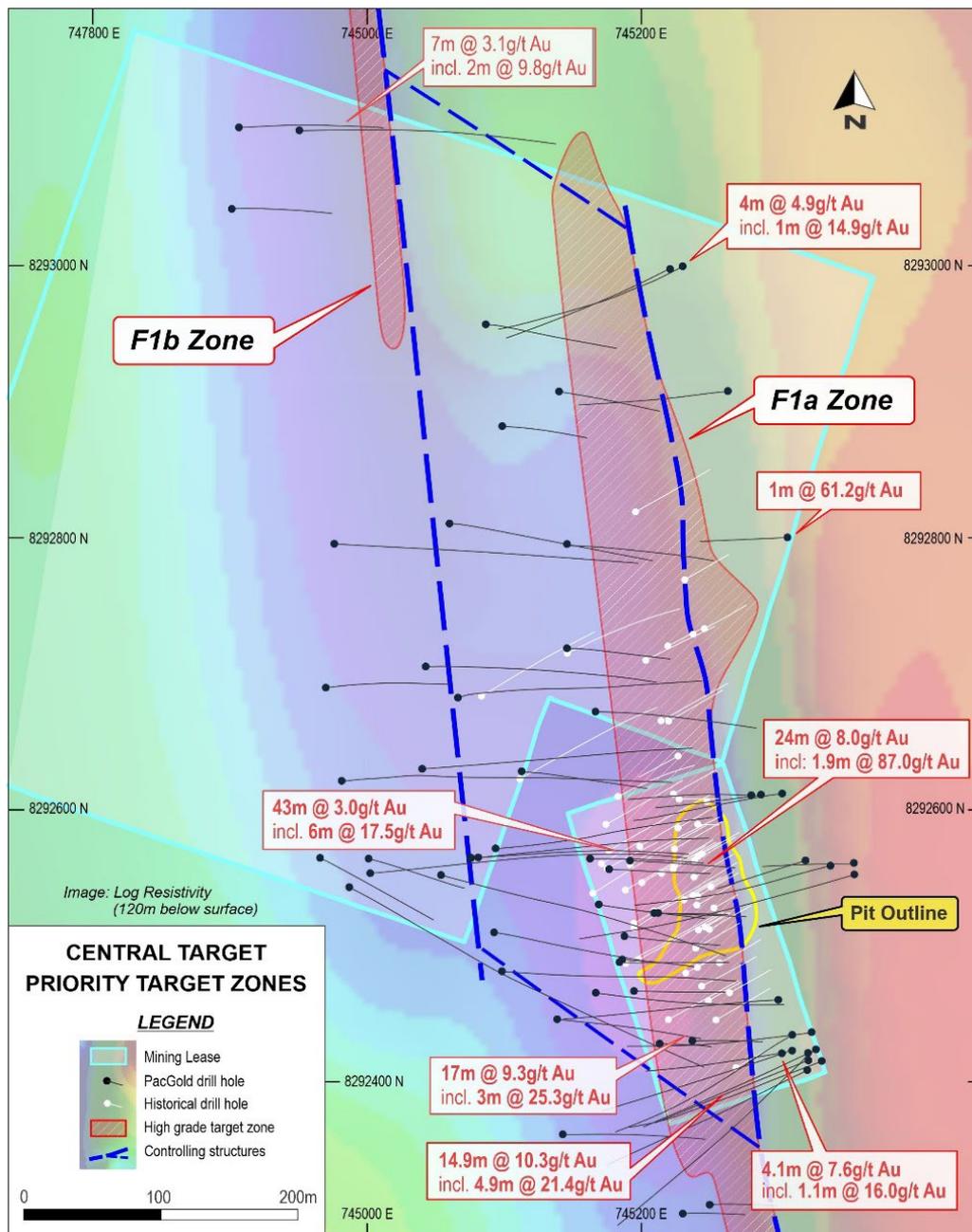


Figure 5: Plan showing the drill hole locations on the IP geophysics resistivity image and showing the F1a zone

¹¹ ASX PGO release 21 November 2022

Initial metallurgical test work has been completed on two representative high-grade gold samples from the F1a zone. This testing will investigate gold characterisation to inform conceptual processing options for the high-grade gold. A third sample containing high-grade antimony was also tested to investigate potential options to float the antimony sulphides into a Sb-Au concentrate as a secondary product. The tests are preliminary in nature but will provide guidance for further test work and processing scenarios to be investigated. It should be noted that the high-grade antimony is not considered to be directly associated with the high-grade gold zones in the F1a zone which are characteristically sulphide-poor. Results of the metallurgical test-work are expected in mid-February 2023.

Southern Target

Two diamond drill holes were completed on the Southern Target during the Quarter¹². These holes (PKDH001 and PKDH002) represent the first diamond core holes to be completed on the Southern Target and the deepest holes completed to date on the Southern Target (both approx. 200m deep). Results are pending for both holes which intersected encouraging zones of veining and alteration, including several visible gold occurrences within a 3m interval. Refer to Figure 6 showing the location of recent diamond drill holes.

The Southern Target represents the largest area containing widespread gold mineralisation intersected in shallow drilling (historical and PGO) to date on the Project. The gold mineralisation is defined over 2km of strike (over the Southern Target) and up to 400m wide.

High-resolution IP geophysics (gradient array IP) was completed over a 2km zone interpreted as the southern strike extension of the Southern Target beneath shallow cover. Processing of the IP survey data and the identification of additional targets is underway.

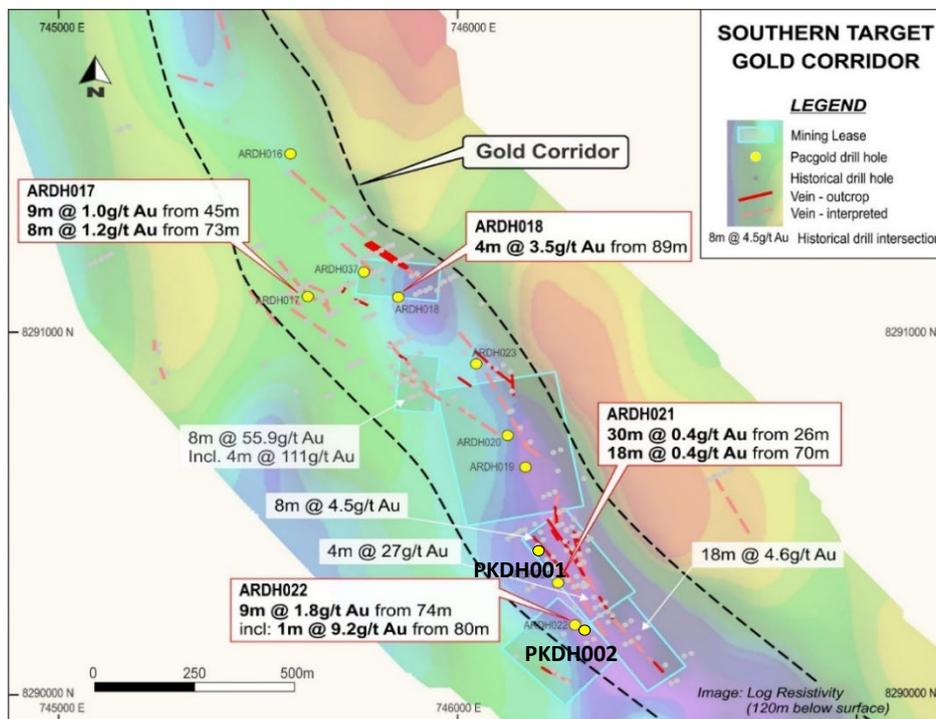


Figure 6: Southern Target showing previous and recent drilling on the IP geophysics resistivity image

¹² ASX PGO release 27 October 2022

Regional Target Generation and Evaluation – IP Geophysics

A high-resolution IP geophysical survey was completed over an additional 7km of strike on the Alice River fault zone during the Quarter with final processing and identification of targets underway and expected to be finalised in early February 2023. At the Central and Southern Targets, IP geophysics have proven successful in defining zones of alteration and gold mineralisation (as resistivity IP lows) along the Alice River fault zone (Figure 7).

A summary of the IP surveys completed during Quarter:

- Extension of the **Southern Target** (approximately 2km of strike) to the south-east, which has not been previously drilled and is concealed beneath shallow recent sand cover;
- The **White Lion prospect** approximately 12km to the south-east of the Southern Target, where historical reconnaissance scout RAB drilling intersected results up to 20m @ 0.4g/t Au (from surface, drillhole ARAT-244);
- The **Northern Target** approximately 1-2km to the north-northwest of the Central Target, where wide-spaced IP by Pacgold in 2021 identified the trend of the Alice River fault zone, and the infill IP geophysics will provide higher definition of structural features in the zone; and
- The **Posie prospect** approximately 5km north-northwest of the Central Target, where historical drilling has intersected 4m @ 16.6 g/t Au (from surface, drillhole POD1) and 2m @ 26g/t Au (from 46m, drillhole POD2a)¹³.

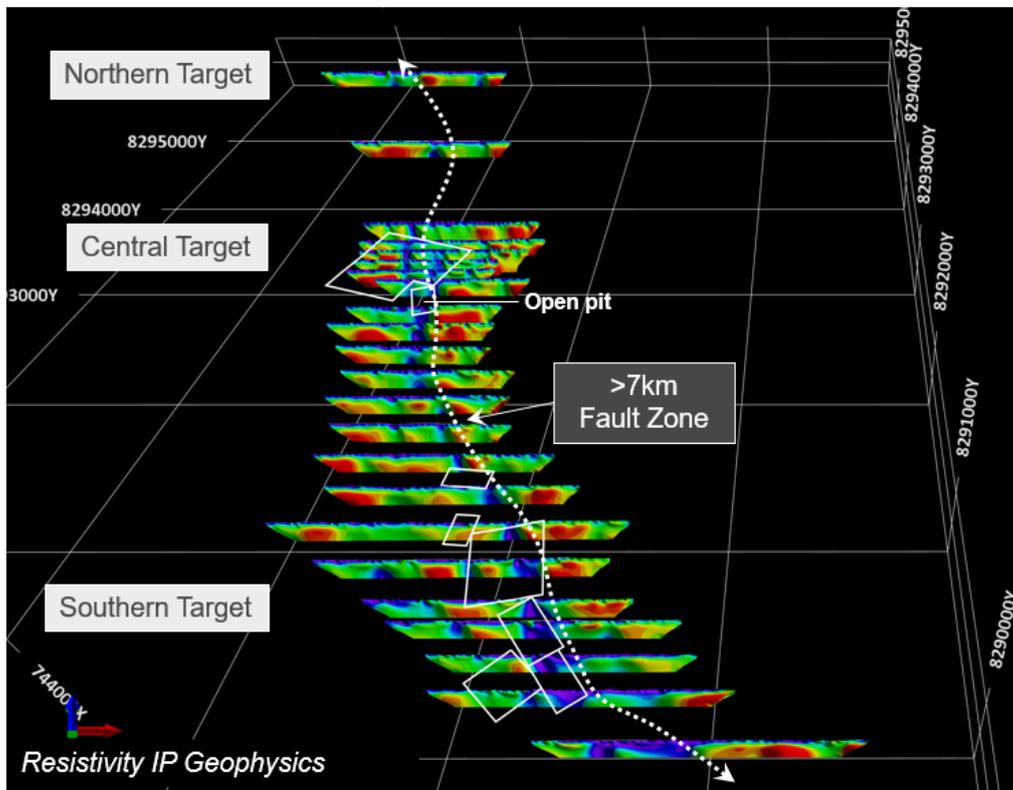


Figure 7: Oblique 3D view (looking north) of the resistivity IP geophysics highlight resistivity lows (blue-purple) defining the prospective Alice River fault zone

¹³ Beckstar EPM 7566, 1997, CR29604

Next Steps

Drilling on site has paused for the wet season and is expected to recommence in March 2023. The drilling strategy will continue to focus 60% on the Central Target with resource step-out drilling along strike and to depth; 30% Southern Target with step-out drilling to depth (<300m) to scope resource potential; and 10% regional targets (geochemical/IP geophysics targets).

Expected updates for Q1 2023 include:

- Drill results for Southern Target and results of IP geophysics on 2km extension
- Remainder of drill results for Central Target and prelim metallurgical test-work
- Results of regional IP geophysics covering 3 priority prospects to the NW and SE of the Central-Southern Targets
- Drilling planned to recommence in March 2023.

Tenement Status

Licence No.	Area	Status	Grant date / Application	Expiry date	Registered holder
EPM28287	100 s/b	Application	04-02-2022(A)		Company (100%)
EPM28288	100 s/b	Application	04-02-2022(A)		Company (100%)
EPM 14313	10 s/b	Granted	13-07-2005	12-07-2024	Company (100%)
EPM 15359	15 s/b	Granted	24-05-2007	23-05-2025	Company (100%)
EPM 15360	8 s/b	Granted	23-08-2007	22-08-2025	Company (100%)
EPM 16301	4 s/b	Granted	14-10-2021	13-10-2026	Company (100%)
EPM 26266	75 s/b	Granted	08-05-2017	07-05-2027	Company (100%)
ML 2901	2.88 ha	Granted	29-04-1982	30-04-2024	Company (100%)
ML 2902	2.88 ha	Granted	29-04-1982	30-04-2024	Company (100%)
ML 2907	2.058 ha	Granted	03-06-1982	30-06-2024	Company (100%)
ML 2908	4.034 ha	Granted	03-06-1982	30-06-2024	Company (100%)
ML 2957	1.6 ha	Granted	07-03-1985	31-03-2027	Company (100%)
ML 2958	11.43 ha	Granted	10-04-1986	30-06-2024	Company (100%)
ML 3010	29.52 ha	Granted	25-01-1990	30-06-2024	Company (100%)
ML 3011	4.4 ha	Granted	01-10-1987	30-06-2024	Company (100%)

Payments to Related Parties

A total of \$112,000 was paid to directors and their associates for salaries, director fees and superannuation during the Quarter ended 31 December 2022.

Corporate

Strong cash position of \$5.7M at the start of January 2023 to fund step-out drilling on the F1a zone and regional exploration on the Alice River Gold Project.

In accordance with ASX Listing Rule 5.3.4, Pacgold Limited provides the following disclosure regarding the comparison of actual expenditure to date since listing on 8 July 2021, against the 'Use of Funds' statement in its prospectus dated 25 May 2021.

Use of funds	As Per Prospectus (Over 2 years) \$'000	Use of funds to 31 Dec 2022 \$'000
Exploration expenditure	4,367	9,152
Corporate costs	1,198	1,366
Expenses of the Public Offer	663	547
Total	6,228	11,065

As announced on 14 April 2022, Pacgold Limited raised a further \$11M of capital through a placement and entitlement offer. This additional funding has allowed exploration expenditure on the company's assets to be accelerated.

Approved by the Board of Pacgold Limited.

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About Pacgold Limited:

Pacgold is an ASX-listed minerals exploration company (ASX: PGO) focussed on the Alice River Gold Project situated at the northern end of the Northeast Queensland Mineral Province. This gold-rich Province contains several multi-million-oz gold deposits including Pajingo, Mt Leyshon, Kidston, and Ravenswood.

Pacgold has a 100% interest in the Alice River Gold Project, covering an historical high-grade goldfield and open-pit mine with eight mining leases and five exploration permits over an area spanning 377km².

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on, and fairly represents, information compiled or reviewed by Mr Geoff Lowe, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Lowe is the Company's Exploration Manager and holds shares and options in the Company. Mr Lowe has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Lowe consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

PACGOLD LIMITED

ABN

30 636 421 782

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(284)	(430)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	13	21
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material):	-	-
1.9 Net cash from / (used in) operating activities	(271)	(409)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	(2,385)	(4,892)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(2,385)	(4,892)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,367	11,012
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(271)	(409)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,385)	(4,892)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	5,711	5,711

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,711	8,367
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,711	8,367

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
112
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties includes \$55,000 of consulting fees paid to Goldfind Exploration Pty Ltd, an entity associated with director Anthony Schreck. The balance is non-executive director fees and superannuation.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	271
8.2 Capitalised exploration & evaluation (Item 2.1(d))	2,385
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	2,656
8.4 Cash and cash equivalents at quarter end (Item 4.6)	5,711
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	5,711
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.2
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 19 January 2023

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.